

**Bubble in, bubble out:
lessons for the COVID-19 recovery and future crises from the Pacific**

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Pacific countries are some of the world's most exposed to shocks (e.g., natural, economic, and health) and climate change, and progress on the challenges of sustainable development has been limited (see, e.g., Gibson, 2014).ⁱ The region is home to some of the world's highest levels of violence against women, child labor, and informality (Edwards, 2020; UNICEF, 2020), offering the precise conditions to multiply the human costs of pandemics. Yet, examining leading development journals, international organizations' flagship publications, and global databases, it is not uncommon to see Pacific countries missing—an excluded bubble.ⁱⁱ COVID-19 brings to the fore the underlying vulnerability of the region, with important lessons for other countries' recovery.ⁱⁱⁱ

First, health and social protection systems across the region tend to be fragile and missing, uniquely more than the rest of the world. Implications during a pandemic are two-fold: countries are not well prepared to deal with the immediate health crisis, and lack the tools to support their citizens to remain in employment and who lose their livelihoods. For example, in Papua New Guinea a weak health system, limited testing, and single cases detected across the country suggest a very poor understanding of the extent of the virus (Kaluthotage, 2020; Pacific Beat, 2020), and the 2019 Samoan measles outbreak of 2019 shows the immense pressure an outbreak can place on Pacific health systems (Craig et al., 2020).

The social protection challenge is more severe. The Pacific is well behind the rest of the world in supporting its citizens, and challenges of establishing social protection in the region are not new. Globally, over 180 countries have social protection systems in place. Of those that do not, almost all are in the Pacific. Countries do not have the systems to cushion the direct poverty and broader economic impacts of the policy responses to the crisis, let alone those from an outbreak. Cash transfers tends to be met with resistance, often seen to undermine informal institutions (DFAT, 2012; Gibson, 2015). Yet, countries like South Sudan and the Democratic Republic of Congo illustrate how the absence of social protection is not a consequence of early state formation, but rather a crucial system to support the vulnerable and social stability (World Bank, 2019a; 2019b). Overcoming political economy challenges and building these systems to deal with future pandemics will be crucial.^{iv}

Second, Pacific countries closed their borders relatively early and generally did exceptionally well in avoiding severe direct health impacts from COVID-19. Ten countries (as of 22 May 2020) have not had a single confirmed case.^v Of those countries with cases, Fiji has not recorded any new cases from 21 April and the numbers elsewhere remain low with a few notable exceptions (e.g., Guam and French Polynesia). The low case numbers are fortunate; new cases coupled with the fragile health systems and limited scope for household protection (see, e.g., Brown, Ravallion, and van de Walle, 2020) would likely see rapid spread and a high case-fatality rate, as in neighboring Indonesia.

Three, the economic impacts of COVID-19 in the Pacific are largely a product of government policy responses. As some of the most integrated countries in the world, the economic and social costs of the domestic and international policy responses to COVID-19 are already leading to immense economic and social hardship in the region.^{vi} Yet, the lack of cases in many countries—and the relative success of Australia and New Zealand in managing COVID-19—provides the region with an opportunity to experiment and lead the recovery. Piloting a carefully managed pathway—a “bubble”—to allow the tourism, migration, and remittances that many countries depend on to begin flowing again is one such opportunity to show the world how to safely emerge from the current crisis.

The relative health success of the region during COVID-19 has been in spite of not because of existing governance, health, and social protection systems. Addressing underlying social and economic vulnerabilities is an obvious priority for governments and the development community, and researchers, as the region might not be so lucky next time.

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ⁱ The 22 Pacific island countries and territories of the Pacific Community are American Samoa, Cook Islands, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, New Caledonia, Niue, Northern Mariana Islands, Palau, Papua New Guinea, Pitcairn Islands, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, and Wallis and Futuna.

ⁱⁱ Examples of such global databases are the World Bank’s World Development Indicators or PovCal, or key microdata collections like the Demographic and Health Surveys and IPUMS International.

ⁱⁱⁱ This comes at a time when the United States, the United Kingdom, the European Union, and other aid donors have taken a renewed interest the region, principally for geostrategic reasons.

^{iv} The current crisis has already provided an impetus for some unexpected major changes: Tuvalu is introducing a basic income, Vanuatu a wage subsidy for formal sector workers, and Samoa unemployment benefits.

^v Kiribati, Marshall Islands, Federates States of Micronesia, Nauru, Palau, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

^{vi} Most Pacific economies are highly externally dependent, in terms of aid, trade, migration, remittances, and tourism, and known as “MIRAB” (migration, remittances, aid, and bureaucracy) economies.